



Bharat Sanchar Nigam Limited

(A Govt. of India Enterprise)
(Sales Cell)

Request for Expression of Interest

EOI NO.- 36-1/2007-Sales

Dated- 30-04-2009

Name of the company/Firm- _____

Date of Submission of EOI- _____

Seal and signature



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Instructions for Bidders

1.0 Introduction

BHARAT SANCHAR NIGAM LIMITED (BSNL), a Public Sector Enterprise, 100% owned by Government of India, with the dominant market share in the Wire line Telephony, Wireless Telephony, Broadband & Internet services besides other data services like MPLS- VPN, Internet telephony, Leased circuits etc. BSNL is the largest Internet Service Provider (ISP) of India. BSNL has state of the art Intelligent Network (IN) to cater to different Services like VCC (Virtual calling card), ACC (Account calling card), Toll free Number Service called as Free phone Service, Premium Rate Service, Universal Number, Universal Personal Number, Tele-voting etc. For more details about BSNL, please log on to www.bsnl.in.

BSNL is providing Landline service to about 29.5 million subscribers, GSM Mobile Service to 41.4 million subscribers and WLL Service to 4.9 million subscribers. BSNL was the first Telco in India to start Virtual Calling Card Service through Intelligent Network (IN) that is branded as ITC (India Telephone Card) for domestic subscribers. These cards are widely used by the Indian subscribers. BSNL uses latest technology in it's IN platform.

BSNL intends to invite Expression of Interest (EoI) from interested bidders for sale of India Telephone cards (hereinafter called ITC) in bulk as per the eligibility criteria as mentioned in the EOI. After evaluation of bids, circle wise agreements will be entered into with the successful bidders (hereinafter shall be referred to as ITC Franchisees) for a period of one year on Principal to Principal basis for the sale of the said ITC. The Electronic PINs will be made available to the said ITC Franchisees who will be responsible for printing, selling & marketing of these cards in their areas of operation. The ITC Franchisees will be responsible for selling of the ITC to the existing Franchisees of BSNL at their doorstep as well.

2.0 Intelligent Network

The Intelligent Network (IN) of BSNL comprises of state of the art technology platform with Service Control Points (SCP) installed at five geographically distributed locations across India. BSNL has local exchanges all over India, which work as Service Switching Points (SSP) for the calls originated from these Local Exchanges (LEs). Then the call is carried through TAXs (Trunk Automatic

Exchanges) which works as Service Transfer Point (STP) for the IN call. The five IN-SCP locations are:

General Purpose IN (GPIN) platforms

1. Kolkata
2. Bangalore
3. Lucknow
4. Ahmedabad

Mass Calling IN Platform (MCIN)

5. Hyderabad

Each of the GPIN Platform can handle 15 million ITC & traffic of 1.2 million BHCA. The India Telephone card (ITC) PINs will be made available through one of the designated GPINs.

3.0 Purpose of the EOI

This EOI invites offers from interested eligible bidders for the sale of the India Telephone Cards (ITCs) of BSNL. They will print, sell and market through their distribution network at their own risk and responsibility. The bidder should be able to cater to the demand of the existing BSNL Franchisees at their doorstep in the concerned circle and existing distribution channel partners.

4.0 Agreement period

The agreement shall be valid for a period of one year and further extendable up to one more year on mutually agreeable terms & conditions subject to satisfactory performance during the first year in the telecom circle where ITC Franchisee has been working.

5.0 Eligibility Requirements

- 5.1 The Bidder should be a company registered & incorporated under the Indian Companies Act, 1956. Partnership/proprietorship firms are also eligible to participate in bid.
- 5.2 The bidder should have an experience of at least 2 years in marketing and selling of similar service / product in the area of telecom / FMCG / electrical goods.
- 5.3 The bidder should have a minimum turnover of Rs.5 Crores each year for the last two years. Audited Balance Sheets for the last 2 years should be enclosed as supporting documents. The Turnover mentioned in this clause shall not include businesses other than IT / Networking / Telecom/Content delivery/ FMCG/ electrical goods etc.
- 5.4 The bidder is allowed to submit their applications for any number of circles.
- 5.5 The bidder must have either directly or through its partner companies the experience in printing of calling cards. In case printing experience of the Partner Company is taken then a MOU must be available with them as the necessary support during the period of agreement.

6.0 ITC Franchisee Network

- 6.1 The bidder shall have his/her presence in all Circles where he/she would like to operate through his/her Franchisees/retailers.
- 6.2 The bidder can appoint any number of retailers for the sale of ITC.
- 6.3 The bidder must ensure availability of ITCs at least within the 500 metres in commercial area and within one kilometre in residential areas through their distribution channel.
- 6.4 Existing Franchisee network and customer service centres of BSNL will also work as sales outlets for all types of services offered by BSNL including ITC. But the existing Franchisees should purchase cards from one of the ITC Franchisee of the concerned Circle.

7.0 Financial Requirement

- 7.1 Performance Bank Guarantee of Rs. 1, 00,000/- (Rupees One Lakh) per circle is to be deposited by each bidder before signing of the agreement. All the bidders meeting the eligibility criteria & agreeable to the terms and conditions of the EOI shall be appointed as ITC Franchisees.
- 7.2 The PINs will be made available to ITC Franchisees on receipt of advance payment of the net price (i.e. price after discount).
- 7.3 BSNL reserves the right to seek/verify financial information from ITC Franchisee's bankers/credit providers and pursue any other source as to carry out verification.
- 7.4 ITC Franchisee shall submit the aforesaid Performance Bank Guarantee of the said amount or as BSNL may recommend from time to time. BSNL reserves the right to forfeit/adjust the said Performance Bank Guarantee in full or part or any sum due from the ITC Franchisee to BSNL at any time. ITC Franchisee shall continue to be liable for balance if any. BSNL reserves the right to increase the amount of Performance Bank Guarantee at any time in its own discretion with respect to any/some/all ITC Franchisees.

8.0 Evaluation Criteria

The bidders meeting the eligibility requirements, as mentioned in clause 5.0 and agreeable to all the terms and conditions will be allowed to operate within the Circle/Circles for which they have submitted the bids

The BSNL reserves the right to reject the application of any ITC Franchisee for any reason without liability. The information provided by the ITC Franchisee/ gathered by BSNL shall become BSNL's property even if application is rejected and can be used by BSNL in any manner, it deem fit.

9.0 Review

- 9.1 Quarterly review of the performance of the ITC Franchisee will be done.

10.0 Discount

- 10.1 The discount applicable for purchasing of PIN to the ITC Franchisee on upfront payment will be as follows:

The discount applicable shall be calculated based on the quantum of sale of PINs as a percentage of the card value (excluding taxes) at a time as given below:

Sl. No.	Amount of purchase of PINs by upfront payment at a time (Rupees in lakhs)	Total discount applicable on graded basis (in %age) (basic discount + discount for printing, selling & marketing + bulk discount)
1	Up to 25	9.25 (8%+1.25%)
2	More than 25 and up to 50	9.50 (8%+1.25%+0.25%)
3	More than 50 and up to 75	9.75 (8%+1.25%+0.5%)
4	More than 75 and up to 100	10.00 (8%+1.25%+0.75%)
5	More than 100	10.25 (8%+1.25%+1%)

- 10.2 BSNL reserves the right to change the discount structure as well as the rate of discount for all channels or any channel at any time without any notice.

11.0 Billing and Payment

- 11.1 The bidder will submit a bank guarantee of Rs. 1, 00,000/- (Rupees One lakh) per circle before signing the agreement.
- 11.2 The ITC Franchisee will make advance payment of the net price (i.e. after discount) along with service tax for purchasing the PINs in electronic form which will be subsequently printed by ITC Franchisee and sold to the end customer / existing Franchisees / Other existing distribution channels.

12.0 Office Support

All office support related to stationery items, sales, bills, vouchers shall be the responsibility of the ITC Franchisee. However, the layout/design of the stationery and calling card will be provided by BSNL. BSNL may decide to provide computer connectivity to ITC Franchisee for on-line activity such as bill payment/settlement/PINs etc. at its sole discretion.

BSNL shall have free access to the ITC Franchisee premises and to inspect all records, receipt vouchers, sales books or any other documents related to ITC activity.

13.0 Responsibilities of ITC Franchisee

- 13.1 The ITC Franchisee shall work out strategies for advertising, marketing and promoting the Calling Cards/ITC. Promotions shall be carried out under BSNL's brand name.
- 13.2 The ITC Franchisee shall solely be involved in the distribution of the cards. Apart from the places/ distribution points of ITC Franchisee's choice, the cards shall be made available to the users at various outlets, prominent commercial places, airports, Railway stations etc. through retailers.

- 13.3 The ITC Franchisee shall generate demand for providing services as permitted by BSNL. ITC Franchisee will target both individual and corporate customers.
- 13.4 After sales services: ITC Franchisee shall receive, attend & rectify the complaints. All forms of complaints on phone and walk-in-complaints will be handled directly by the ITC Franchisee. ITC Franchisee shall redress all possible complaints on the spot and forward the remaining to call center for further disposal.
- 13.5 BSNL will not have any responsibility regarding any agreement arrived between ITC Franchisee and the existing Franchisees or any other party. However the ITC Franchisee should extend upfront discount to them at the time of selling of ITC.

14.0 Responsibilities of BSNL

- 14.1 BSNL shall be responsible for Operation, Maintenance, Provisioning, billing etc. of the Intelligent Network.
- 14.2 Selection of ITC Franchisees.
- 14.3 BSNL shall provide the PINs, only of defined denominations, electronically to the ITC Franchisee.
- 14.4 BSNL shall be responsible for fixing discounts for various distribution channels.
- 14.5 Getting MIS from ITC Franchisees and other sale points.
- 14.6 Co-ordination of activation of telecom services.
- 14.7 Operation of various telecom services.
- 14.8 Technical Support to ITC Franchisees.
- 14.9 Distribution of marketing material to ITC Franchisees.
- 14.10 Marketing Research on periodic basis.
- 14.11 Defining geographical areas of operation of ITC Franchisee.

15.0 Branding

The cards will be solely branded as BSNL ITC. The design will be provided by BSNL for this purpose to the ITC Franchisee.

16.0 General Terms and Conditions

Commercial Terms & Conditions:

- (i) The agreement between BSNL and the ITC Franchisee shall be on principal to principal basis.
- (ii) The BSNL reserves the right to change the terms of trade from time to time with notice period of 30 days.
- (iii) All disputes arising out of ITC Franchisee and the BSNL shall be decided by arbitration through an arbitrator to be appointed by the CGMs of the respected circles.
- (iv) The BSNL decision will be final on all matters relating to the business and will be binding on the ITC Franchisees.

- (v) All present, future & additional taxes /Lesses/ duties etc that may be levied by the govt. /Local authorities etc. will be borne by the ITC Franchisees.
- (vi) The ITC Franchisee shall comply with all applicable laws, bye Laws, rules, regulations, orders, and directions, notifications etc. of the Govt. / Court/ Tribunal's and shall also comply with all directions issued by BSNL and provide BSNL with all information and cooperation that BSNL may reasonably require from time to time.
- (vii) The ITC Franchisee has to fully cooperate with BSNL to investigate any complaint from the public or any other agency.
- (viii) BSNL shall not be responsible for any compliance which is required to be complied by ITC Franchisee regarding all statutory laws, rules etc. enforceable from time to time.
- (ix) The ITC Franchisee shall fully indemnify, defend & hold BSNL harmless from and against all claims, liability, losses or damages, recoveries, proceedings, actions, Judgment costs, charges & expenses which may be made or brought or commences against the BSNL or which the BSNL may or may have to bear, pay or suffer directly or indirectly in connection with any breach of ITC Franchisee's agreement by ITC Franchisee or its agents, employees, offices.
- (x) BSNL shall not be liable for any act of commission or omission of ITC Franchisee or any other third party.
- (xi) That during the currency of agreement with the ITC Franchisee, the ITC Franchisee will not be permitted to provide services to any other service provider.
- (xii) That ITC Franchisee shall pay all outstanding dues to BSNL during the currency of agreement or on termination of the agreement as the case may be, even if any dispute is pending between the ITC Franchisee & BSNL. The same shall be adjustable by the CGM after settling of the dispute.
- (xiii) The ITC Franchisee will have to abide by the policy, rules, regulations & instructions of BSNL as revised/modified from time to time, without any prior notice to the ITC Franchisee in respect of all matters including security deposit / PBG, discount allowed to the ITC Franchisee etc.
- (xiv) If any proof is found, that the ITC Franchisee is involved in any malpractice, which can harm the interest of BSNL, a committee of 3 officers as detailed below will decide and propose cancellation of ITC Franchisee agreement.
 - a) GM (Sales/Mktg.), Circle Office
 - b) GM (BD), Circle office
 - c) IFA, Circle office
- (xv) The ITC Franchisee will submit monthly report in the format as decided by BSNL by 5th day of the every month.

17.0 EOI submission

The bid may be submitted anytime at following address:

**AGM (Sales-I)
Room No. -219 Sales Cell, Eastern court
BSNL Corporate Office, Janpath
New Delhi-110 001**

Tel: 011 – 23763745

Fax: 011 – 23326545

The EOI is open ended, anyone who is eligible may participate in EOI any time.

18.0 PROCEDURE FOR SUBMISSION OF EOI

- 18.1 The application for Expression of Interest must be submitted in sealed envelope, super scribed "Expression of Interest for Calling Cards / ITC" and addressed to the contact person indicated in this EOI.
- 18.2 The EOI should be submitted in person. Outstation applicants can send their application of EOI by Registered Post / Speed Post/ Courier.
- 18.3 The prescribed documents as per eligibility criterion should be submitted by bidder.
- 18.4 The ITC Franchisee shall be intimated after evaluation of the bid
- 18.5 Declaration regarding the close relatives working in BSNL. If there is no close relative working in BSNL then the declaration should be submitted as per **Annexure-I**.
- 18.6 Non disclosure Agreement as per **Annexure-II**

Format of Certificate regarding close relatives working in BSNL
(To be submitted by all the Directors of the Company)

“I _____ s/o _____ r/o _____ here by certify that none of my relative(s) as defined in the tender document is/are employed in BSNL unit as per details given in tender document. In case at any stage, it found that the information given by me is false / incorrect, BSNL shall have the absolute right to take any action as deemed fit/without any prior intimation to me.”

The near relatives for this purpose are defined as:-

- a) Members of a Hindu undivided family.
- b) They are husband and wife.
- c) The one is related to the other in the manner as father, mother, son(s) & son's wife (daughter in law), Daughter(s) and daughter's husband (son in law), brother(s) and brother's wife, sister(s) and sister's husband (brother in law).

Dated this _____ Day of _____ 2009

Signature: _____

Format of the non-disclosure undertaking

(To be submitted duly notarized on non-judicial stamp paper of Rs. 50/-)

M/s _____, a company registered under the Companies Act 1956, having its registered office at _____ acting through Shri _____, the Authorized signatory (which expression shall, unless repugnant to the context, include its successors in business, administrators, liquidators and assigns or legal representatives) hereby declare and undertake that we will not divulge any part of this agreement either through oral or written communication or through any mode to any one.

We further undertake and declare that we shall be responsible for safe custody of the Papers/ documents including the ITC Franchisee Agreement proposed to be entered into between M/s BHARAT SANCHAR NIGAM LIMITED and ourselves. We shall take all necessary steps to safeguard the privacy and confidentiality of the ITC Franchisee Agreement and shall use our best endeavor to secure that no person acting on our behalf or ourselves divulge or disclose or use any part of the ITC Franchisee Agreement without the written consent of M/s BHARAT SANCHAR NIGAM LIMITED.

We further declare and undertake that if we do not agree to sign the above Agreement, we shall return back the copy of the Agreement (in original) back to GM (Sales/Marketing) of concern circle acting on behalf of M/s BHARAT SANCHAR NIGAM LIMITED within one month without preserving any copy of the same.

We further declare and undertake to indemnify M/s BHARAT SANCHAR NIGAM LIMITED for any loss or damage(s) caused to it by virtue of inadvertent or willful default in compliance to the aforesaid conditions.

Signed on behalf of M/s _____ by Mr. _____
(Name and Designation) authorized signatory